



Senate Bill 938, An Act Concerning Unemployment Benefits for Striking Workers

Labor and Public Employees Committee

February 7, 2023

The Mechanical Contractors Association of Connecticut, Inc. (MCAC) is an association of trade union mechanical contractors who provide mechanical services in HVAC, plumbing, piping, sheet metal and other work, and are signatories to the Plumbers and Pipefitters Local 777 collective bargaining agreement.

Senate Bill 938 would allow striking employees to collect unemployment benefits after a period of two consecutive weeks striking.

MCAC has **significant concerns with Senate Bill 938** and requests that the Labor Committee **not act on the bill**. The bill could have unintended consequences: it could adversely affect the solvency of the unemployment insurance trust fund, lead to delays on construction projects and raise costs for municipalities and the state.

The state's unemployment system and trust fund are important social safety nets that have proven critical in recent years. This system is funded exclusively by employers for the purposes of ensuring workers that become unemployed through no fault of their own receive a portion of their former compensation while seeking new employment.

State contractors incurred millions of dollars of debt during the pandemic to ensure that every eligible unemployed worker received benefits.

In Connecticut, an individual seeking unemployment benefits must satisfy several criteria, including becoming unemployed through no fault of their own; they are available to work; and they are actively seeking another job while receiving benefits.

A striking worker fails to meet any of these requirements if she is actively participating, financing or interested in the strike, has not lost a job through

no fault of his own, and is neither available for work nor actively seeking another job. With the exception of New York, no other state allows actively striking workers to receive unemployment benefits.

The unemployment compensation trust fund may be financially incapable of funding benefits for striking workers who do not meet the criteria for receiving benefits.

In 2020, for the second time in recent history, Connecticut borrowed a billion dollars from the federal government to fund unemployment claims as the pandemic emptied the trust fund. Although lawmakers stepped up two years ago and provided federal stimulus dollars to help with a portion of this debt, employers remain liable to repay the loans plus interest. Beginning next January, unemployment taxes will increase significantly on contractors and other employers of seasonal workers.

The unemployment trust fund is a critical safety net that must be preserved for qualified employees who have found themselves out of work and are in need. The fund, particularly given its precarious position, recent debts and potential lack of solvency, should not be treated as a source of revenue to fund policy goals or to provide leverage in disputes between employers and employees.

Please contact Kristen Brainerd Abrahamson, Executive Vice President of MCAC, at (203) 248-3098, for additional information or any questions.